

**Transportation Development Act Funds
Non-Transit Operations
City of Coalinga | CA**

Financial Statements

For the Years Ended June 30, 2024 and 2023



PRICE PAIGE & COMPANY
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Coalinga, California
And the Board of Directors
Fresno Council of Governments
Fresno, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Fresno Council of Governments' pass-through Transportation Development Act Funds (TDA Funds) of the City of Coalinga, California (the City), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the TDA Funds of the City's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the TDA Funds of the City, as of June 30, 2024 and 2023, and the respective changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements of the TDA Funds of the City are intended to present the financial position and the changes in financial position of only that portion of the TDA Funds of the City that is attributable to the transactions related to the Fresno Council of Governments' pass-through TDA Funds. They do not purport to, and do not present fairly the financial position of the City as of June 30, 2024 and 2023, or the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control as it relates to TDA Funds. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2026, on our consideration of the City's internal control over financial reporting as it relates to the TDA Funds, and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance as it relates to the TDA Funds.



Clovis, California
January 7, 2026

FINANCIAL STATEMENTS

TRANSPORTATION DEVELOPMENT ACT FUNDS NON-TRANSIT OPERATIONS

CITY OF COALINGA | JUNE 30, 2024 AND 2023

Article 3 Pedestrian and Bicycle Facilities

Balance Sheets

	<u>2024</u>	<u>2023</u>
ASSETS		
Due from transportation planning agency	\$ -	\$ 27,276
Interest receivable	-	2
Due from other funds	<u>64,363</u>	<u>80,516</u>
 Total assets	 <u>\$ 64,363</u>	 <u>\$ 107,794</u>
LIABILITIES		
Accounts payable	\$ -	\$ 480
Due to other funds	<u>-</u>	<u>80,038</u>
 Total liabilities	 <u>-</u>	 <u>80,518</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenues	<u>-</u>	<u>27,276</u>
 Total deferred inflows of resources	 <u>-</u>	 <u>27,276</u>
FUND BALANCE		
Restricted	<u>64,363</u>	<u>-</u>
 Total fund balance	 <u>64,363</u>	 <u>-</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u>\$ 64,363</u>	 <u>\$ 107,794</u>

The notes to the financial statements are an integral part of this statement.

TRANSPORTATION DEVELOPMENT ACT FUNDS NON-TRANSIT OPERATIONS

CITY OF COALINGA | FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

Article 3 Pedestrian and Bicycle Facilities

Statements of Revenues, Expenditures and Changes in Fund Balance

	<u>2024</u>	<u>2023</u>
REVENUES		
Intergovernmental allocations	\$ 64,392	\$ -
Interest	<u>-</u>	<u>101</u>
Total revenues	<u>64,392</u>	<u>101</u>
EXPENDITURES		
Current:		
Public works	<u>29</u>	<u>150,365</u>
Total expenditures	<u>29</u>	<u>150,365</u>
Excess (deficiency) of revenues over (under) expenditures	<u>64,363</u>	<u>(150,264)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	<u>-</u>	<u>80,516</u>
Total other financing sources (uses)	<u>-</u>	<u>80,516</u>
Net change in fund balance	64,363	(69,748)
Fund balance - beginning	<u>-</u>	<u>69,748</u>
Fund balance - ending	<u>\$ 64,363</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

TRANSPORTATION DEVELOPMENT ACT FUNDS NON-TRANSIT OPERATIONS

CITY OF COALINGA | JUNE 30, 2024 AND 2023

Article 8 Streets and Roads

Balance Sheets

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and investments	\$ 3,483,320	\$ 1,197,775
Due from transportation planning agency	132,205	1,572,518
Accounts receivable	93,850	-
Interest receivable	5,428	2,262
Due from other funds	-	80,038
	<u> </u>	<u> </u>
Total assets	<u>\$ 3,714,803</u>	<u>\$ 2,852,593</u>
LIABILITIES		
Accounts payable	\$ 32,748	\$ 14,618
Due to other funds	64,363	80,516
	<u> </u>	<u> </u>
Total liabilities	<u>97,111</u>	<u>95,134</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue	132,205	1,572,518
	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>132,205</u>	<u>1,572,518</u>
FUND BALANCE		
Restricted	3,485,487	1,184,941
	<u> </u>	<u> </u>
Total fund balance	<u>3,485,487</u>	<u>1,184,941</u>
	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 3,714,803</u>	<u>\$ 2,852,593</u>

The notes to the financial statements are an integral part of this statement.

TRANSPORTATION DEVELOPMENT ACT FUNDS NON-TRANSIT OPERATIONS

CITY OF COALINGA | FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

Article 8 Streets and Roads

Statements of Revenues, Expenditures and Changes in Fund Balance

	<u>2024</u>	<u>2023</u>
REVENUES		
Intergovernmental allocations	\$ 2,367,687	\$ -
Other revenue	94,316	-
Interest	<u>13,164</u>	<u>4,582</u>
Total revenues	<u>2,475,167</u>	<u>4,582</u>
EXPENDITURES		
Current:		
Public works	<u>174,621</u>	<u>140,022</u>
Total expenditures	<u>174,621</u>	<u>140,022</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,300,546</u>	<u>(135,440)</u>
OTHER FINANCING SOURCES (USES)		
Transfers out	<u>-</u>	<u>(80,516)</u>
Total other financing sources (uses)	<u>-</u>	<u>(80,516)</u>
Net change in fund balance	2,300,546	(215,956)
Fund balance - beginning	<u>1,184,941</u>	<u>1,400,897</u>
Fund balance - ending	<u>\$ 3,485,487</u>	<u>\$ 1,184,941</u>

The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

TRANSPORTATION DEVELOPMENT ACT FUNDS NON-TRANSIT OPERATIONS

CITY OF COALINGA | JUNE 30, 2024 AND 2023

Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Fresno Council of Governments' pass-through Transportation Development Act Funds (TDA Funds) of the City of Coalinga, California (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The financial statements presented are only from the accounts and financial transactions of the TDA Funds of the City. Accordingly, they do not present the financial position or the results of operations of the City. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described below.

A. Basis of Accounting

The City uses fund accounting to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The operations of the TDA Funds of the City are accounted for in a separate set of self-balancing accounts that comprise the funds' assets, liabilities, fund balance, revenues and expenditures.

The TDA Funds allocated for non-transit operations purposes are accounted for in the special revenue fund types within the governmental category using the modified accrual basis of accounting whereby revenues are recognized when they become measurable and available, and expenditures are recognized when the liabilities are incurred.

Intergovernmental revenues (primarily grants and subventions), which are received as reimbursement for specific purposes or projects, are recognized based upon the expenditures recorded. Intergovernmental revenues, which are usually unrestricted as to use are revocable only for failure to meet prescribed compliance requirements, and are reflected as revenues at the time of receipt or earlier, if they meet the availability criterion.

B. Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable – Amounts cannot be spent either because they are in nonspendable form (such as inventory or prepaid expense, and long-term loans and notes receivable) or because they are legally or contractually required to be maintained intact (such as principal of a permanent fund).

Restricted – Amounts with external constraints placed on the use of these resources (such as debt covenants, grantors, contributors, or laws or regulations of other governments, etc.) or imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by City Council, the City's highest level of decision-making authority, through an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified uses through the same type of formal action taken to establish the commitment.

TRANSPORTATION DEVELOPMENT ACT FUNDS NON-TRANSIT OPERATIONS

CITY OF COALINGA | JUNE 30, 2024 AND 2023

Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Balance Classification (Continued)

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee. For all governmental funds other than the General Fund, any remaining positive amounts not classified as nonspendable, restricted or committed must be designated as assigned fund balance.

Unassigned – This classification includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the City.

The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to deter the use of these other classified funds.

NOTE 2 – CASH AND INVESTMENTS

Cash is pooled with the City’s cash and investments. Income from the investment of pooled cash is allocated based upon the actual balance of the fund as a percentage of the total pooled cash balance. The City values all of its cash and investments at fair value on a portfolio basis. The City manages its pooled idle cash and investments under a formal investment policy that is adopted and reviewed by the City, and that follows the guidelines of the State of California Government Code.

City-wide information concerning cash and investments for the years ended June 30, 2024 and 2023, including authorized investments, custodial credit risk and interest rate risk for debt securities and concentration of investments, carrying amount and market value of deposits and investments, may be found in the notes of the City’s annual financial report.

NOTE 3 – INTERFUND TRANSACTIONS

Due to/from balances have primarily been recorded when funds overdraw their share of pooled cash. Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* AND THE
RULES AND REGULATIONS OF THE TRANSPORTATION DEVELOPMENT ACT**

To the City Council
City of Coalinga, California
And the Board of Directors
Fresno Council of Governments
Fresno, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Fresno Council of Governments' pass-through Transportation Development Act Funds (TDA Funds) of the City of Coalinga, California (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's TDA Funds financial statements, and have issued our report thereon dated January 7, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control), as it relates to the TDA Funds, as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the TDA Funds of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the TDA Funds of the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. Our audit was further made to determine that TDA Funds allocated to and received by the City were expended in conformance with applicable statutes, rules and regulations of the Transportation Development Act and the allocation instructions and resolutions of the Fresno Council of Governments as required by Sections 6666 and 6667 of Title 21 of the California Code of Regulations. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the Rules and Regulations of the Transportation Development Act.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance as it relates to the TDA Funds. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in blue ink that reads "Price Paige & Company". The signature is written in a cursive, flowing style.

Clovis, California

January 7, 2026

FINDINGS AND QUESTIONED COSTS

TRANSPORTATION DEVELOPMENT ACT FUNDS NON-TRANSIT OPERATIONS

CITY OF COALINGA | JUNE 30, 2024 AND 2023

Schedule of Findings and Questioned Costs

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Type of auditor's report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weaknesses identified?	<u> </u> Yes	<u> X </u> No	
Significant deficiencies identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None reported	
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No	

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

TRANSPORTATION DEVELOPMENT ACT FUNDS NON-TRANSIT OPERATIONS

CITY OF COALINGA | JUNE 30, 2024 AND 2023

Summary Schedule of Prior Audit Findings

FINANCIAL STATEMENT FINDINGS

Finding 2023-001 – Accounts Receivable and Unavailable Revenue (Significant Deficiency)

Condition:

During the audit of the TDA Funds financial statements of the City, we identified material misstatements related to the accuracy and completeness of the City's receivables and related unavailable revenue balances.

Criteria:

Effective internal controls and management review processes require that general ledger account balances be properly reconciled to adequate supporting documentation during the year-end financial close process in order to accurately and completely close in a timely matter. Management is responsible for maintaining its accounting records in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Cause:

The City mistakenly duplicated the prior year's receivable and unavailable revenue balances within the current year balances, resulting in an error in the City's trial balance.

Effect:

Accounts receivable and unavailable revenue were each initially overstated by \$1,038,000. These balances have been corrected in the financial statements.

Recommendation:

We recommend the City review the receivable and unavailable revenue balances and reconcile them to underlying Allocations Payable schedules received from Fresno Council of Governments to ensure they are appropriately supported and recorded as part of the year-end close process.

Status:

Implemented.